DATE: JUNE 18, 2004

TO: INTERESTED PARTIES

RE: NEW 130 – AUTO FERRIES

DESIGN AND BUILD CONTRACT NO. 00-6674

ADDENDUM NO. 7

This is to inform you of the following updates and changes to the Request for Proposals (RFP) for the above-referenced project:

PHASE I PREQUALIFICATION RFP Volume I A

PHASE I PROPOSER INFORMATION RFP Volume I B

Attached hereto and incorporated herein are revisions and clarifications to the RFP Prequalification Requirements, Phase I Proposal Requirements and Phase I Proposal Evaluation documents.

All other terms and conditions remain unchanged. All qualified proposers will be required to acknowledge receipt of this Addendum on the Bid Form. All Addenda will become a part of the Contract.

Sincerely,

Tim McGuigan Director of Legal Services and Contracts

Attachment

ATTACHMENT TO ADDENDUM NO. 7

PHASE I PREQUALIFICATION RFP Volume I A

RFP SCHEDULE RFP Part 1

Per the RFP Schedule and a notice provided in RFP Addendum No. 6, attached is a copy of CR 103, Rule-Making Order, for the final, amended WAC rules regarding Financial Prequalification Requirements. A copy of the amended WAC rules (WAC 468-310-020 and WAC 468-310-050) is attached to the CR 103. The amended WAC rules became effective on June 5, 2004.

WSF advises proposers that the **Due Date For Receipt of Standard Prequalification Information and Letters of Commitment For Contract Security remains July 23, 2004**.

PREQUALIFICATION REQUIREMENTS

RFP Part 3 (as revised in RFP Addendum No. 2)

GENERAL INFORMATION Section 1

Re: Joint Ventures

Page 1, lines 18-19. The following information is in addition to the Joint Venture information provided in RFP Addendum No. 4, Attachment page 2.

As referenced in Section 1 and also on page 3 of the Standard Prequalification Questionnaire and Financial Statement, enclosed is a copy of the Individual Project Statement of Joint Venture (IJV), for use by any firm that previously indicated an intent to submit a joint venture proposal (or at least the possibility thereof). The IJV form is also available on the following web site:

http://www.wsdot.wa.gov/biz/contaa/prequal/INDJOINTVENT.pdf.

If applicable, the completed IJV form is due no later than July 23, 2004, the due date in the RFP Schedule for the Standard Prequalification Information.

Also, for such firms interested in a joint venture proposal, please note that the governing rule, WAC 468-310-070, Joint Ventures, does not require the members of a Continuing Joint Venture (CJV) to be individually prequalified prior to the CJV application, notwithstanding conflicting instructions on the Standard Prequalification Questionnaire and Financial Statement. However, consistent with long-standing WSDOT practice, the CJV itself, as an independent entity, must meet all of the RFP Prequalification Requirements.

Standard Prequalification Paragraph A

Page 2, lines 36-38; and page 3, lines 16-27. In RFP Addendum No. 6, WSF stated that it would provide additional information on types / formats of written evidence a proposer must submit to demonstrate its ability to secure Contract Security, if awarded the Construction Contract. For prequalification purposes, WSF determined such amount to be \$13,000,000, as stated in RFP Part 3, Prequalification Requirements, page 2, Subsection A.2, Financial Prequalification Rules, lines 36-38.

Acknowledging the extended time period between RFP Phases I and III, and the consequent impact on the content of a bank's or surety company's ability to provide an advance letter of commitment for Contract Security, WSF will broaden the options for evidencing the ability to secure Contract Security, as follows:

Page 3, lines 16-27. Subparagraph "b" is revised to read as follows:

- "b. Written evidence of ability to secure Contract Security in at least the above referenced amount (\$13,000,000) in any of the following formats:
 - (1) A letter of commitment or intent to provide Contract Security bond(s) executed by an officer of an approved surety company authorized to do business in the state of Washington. The letter must express either a commitment or an intent to provide the Contract Security bond(s) if the applicant becomes the successful proposer and is awarded the Contract. The surety shall specify any conditions in the letter that it deems appropriate or necessary in order to produce the letter substantially in advance of the Phase III bid process;
 - (2) A letter of commitment or intent to provide an Irrevocable Letter of Credit (ILOC) executed by an officer of an approved commercial bank authorized to do business in the state of Washington. The letter must express either a commitment or an intent to provide an ILOC if the applicant becomes the successful proposer and is awarded the Contract. The bank shall specify any conditions in the letter that it deems appropriate or necessary in order to produce the letter substantially in advance of the Phase III bid process; or

(3) A letter of current bonding capacity, executed by an officer of an approved surety company authorized to do business in the state of Washington. The letter must express that the prequalification applicant has a current bonding capacity of at least \$13,000,000 for the scope of this Contract, as of the date of the letter. The surety shall specify any conditions in the letter that it deems appropriate or necessary in order to produce the letter substantially in advance of the Phase III bid process."

Re: Financial Statements

Page 3, lines 29-30. Subparagraph c. Regarding the audited financial statement submittal, please note that revised WAC rule 468-310-050 (copy enclosed) requires an audited financial statement for at least one year in the previous three years, plus annual financial statements (i.e., non-audited) for two additional years in the previous three years. Please refer to WAC 468-310-050 for further information.

Special Prequalification Paragraph B

Page 4, lines 2-18; and page 1, lines 21-22. WSF has determined that the Special Prequalification submittal deficiencies are generally in one of the following two (2) categories; (i) deficiencies that are so major and substantive that no correction is reasonably possible to meet the Special Prequalification requirements in Phase I of the RFP; or (ii) deficiencies that are minor enough that they do not affect a firm's ability to meet the Special Prequalification requirements.

Due the above circumstances, there is no need for WSF to issue prequalification deficiency notices regarding Special Prequalification. As such, pursuant to the RFP Schedule, WSF will issue Notices of Special Prequalification Status to the five (5) prequalification applicants, currently scheduled for issuance on July 9, 2004.

SPECIAL PREQUALIFICATION Exhibit A

Page 1. Revise subparagraph A, Vessel Features, to read as follows:

"A. Vessel Features

Capacities: 130 autos; 1202 passengers and crew.

Dimensions and Displacements (all figures are approximate):

Length Overall	342' 0"
Beam, Maximum	83' 4"
Hull Depth	24' 6" at CL
Draft at Lightship	14' 11"
Light Ship Weight	3,200 Long Tons
Draft at Design Load WL	16' 10"
Displacement at DLWL	3,900 Long Tons
	Salt Water

Propulsion: Diesel Engine Mechanical Drive with Controllable Pitch

Propellers.

Propulsion System Power: 6,000 BHP."

SPECIAL PREQUALIFICATION AND PHASE I PROPOSALS RFP Volumes I A and I B

The following information is provided pursuant to the notice provided in RFP Addendum No. 6, Attachment page 5, subparagraph 2.

WSF will consider proposed subcontractor facilities, personnel, experience, etc. for purposes of evaluating the proposer's compliance with: (i) the Phase I Special Prequalification requirements in RFP Volume I A; and (ii) the Phase I Proposal Requirements and Proposal Evaluation Factors in RFP Volume I B.

Notwithstanding such consideration in Phase I, the prime Contractor will remain obligated to directly perform at least fifty percent (50%) of the Total Contract Price, as defined in RFP Addendum No. 6, Attachment page 5, subparagraph 1.A.

(END)